

THE AUSTRIAN PROBLEM

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665 been suspended by the Dollfuss Government and the country
 668 was on the verge of civil war. The Government's harsh and
 ill-considered decision to turn artillery on to the workers'
 dwellings may have cut short the conflict and suffering, but it
 was a final betrayal of democracy that no considerations of
 expediency can excuse.

721 In spite of the serious internal difficulties, it was in the end to
 external force that the Austrian Republic succumbed. On the
 11th of March 1938 Hitler sent an ultimatum to Dr. Schu-
 schnigg, the Chancellor. Within a few hours German troops
 had occupied the country and the *Anschluss* was a fact. The
 Austrian political parties have accused each other of preparing
 the way for this tragedy, but there were deep-lying causes for
 the growth of National Socialism and Fascism that were be-
 yond their power to prevent. In the diplomatic circumstances
 of the time, even had Austria been a model democracy, it would
 have had no more chance of withstanding Hitler than had the
 courage, patriotism, and democratic example of the Czechs.
 As the only German country outside the Reich, Austria was
 the first object of Hitler's ambition. The opening page of
Mein Kampf contains the sentence: 'German-Austria must
 return to the great German Mother Country'.

186 In fact, by 1938 the attitude of Austrians towards union with
 648 Germany had changed considerably. Inside Austria nearly
 twenty years of enforced independence had inevitably left
 their mark: the people were acquiring a sense of pride in their
 achievement and hope for the future. Recent developments in
 Germany also had had a decisive effect.

433 Economically Austria had made important progress. In 1918
 its position seemed hopeless. But the Austrian Government
 and people gradually accustomed themselves to the idea that
 their fate was in their own hands. By 1937 the country was
 producing three-quarters of its food. Valuable oil-fields had
 been discovered at Zistersdorf, north-east of Vienna, and oil
 production had risen from 73 tons in 1932 to 32,849 tons in
 1938. The tourist industry had developed rapidly and covered
 over 80 per cent of the country's trade deficit. When the

CHAPTER I

INTRODUCTION

THE IMPORTANCE OF AUSTRIA.

728 WHEN the Foreign Secretaries of Britain, the Soviet Union, and the United States met in Moscow in November, 1943, they issued a declaration stating that Austria, the first victim of German aggression, was to regain her independence at the end of the war; that this independence was to "open the way for the Austrian peoples themselves, as well as those neighbouring states which will be faced with similar problems, to find that political and economic security which is the only basis for lasting peace"; and that Austria's position would depend on the part the Austrians themselves play in their liberation.

131 This declaration was testimony to the importance which
721 is attached to Austria's independence from the point of view of European and world peace. A glance at the map reveals at once the central position which Austria occupies in the heart of Europe. Her frontiers border on six other countries; her capital, Vienna, lies at the junction of Europe's main east-west and south-north arteries; while the Danube is a natural gateway to the Balkans. Just as the collaboration of the Habsburgs was essential to the realization of Emperor Wilhelm's Berlin-Bagdad dreams in 1914, so the occupation of Austria in 1938 was the first prerequisite for Hitler's attacks on Czechoslovakia, Poland, the Balkans, and the Soviet Union. A prosperous and independent Austria, fully co-operating with her

AUSTRIA'S ECONOMIC DEVELOPMENT

131 democratic neighbours, is therefore an essential condition
for checking Germany's "*Drang nach dem Osten*" in the
• 721 future. Indeed, if the Austrian state had not existed it
might have been necessary to invent it.

721 Fortunately, no such invention is needed. The events
which have taken place in Austria in the days of liberation,
642 and since, testify to the ardent desire of most Austrians to
rebuild their country on a firm, independent, and demo-
cratic basis. Austrians from all sections of society took part
in the armed expulsion of the German occupationists.
The liberating armies in the east and in the west were
everywhere greeted with joy. For the first time in Austria's
history, there is a spirit of unity and common purpose
among all democratic Austrians. This has enabled them
to form in a surprisingly short space of time a truly
representative government, free trade unions, a pro-
gressive youth movement, and other democratic bodies
which have made a bold start in rebuilding the shattered
[668] political and economic fabric. Remnants of Nazi cells
and of Nazi ideology have certainly survived and remain
to be dealt with. But there is no doubt that the vast
majority of Austrians have been cured of any illusions
they may have entertained about the necessity or desir-
ability of an *Anschluss*.

433 This is a very welcome fact. It is, indeed, an essential
condition of any democratic revival. But it is not, by
itself, sufficient. As the Moscow Declaration rightly indi-
cates, the creation of satisfactory economic conditions is
essential if stability and peace in that area are to be
secured. And it is on this score that some people, who
are otherwise entirely in favour of Austrian independence,
begin to raise their doubts. They remember the pro-
longed controversies after the last war which centred on
this very point: whether the new Austrian Republic would